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E.O. 12958: DECL: 2019/11/09
TAGS: [ETTC](#) [KOMC](#) [BU](#) [GT](#)
SUBJECT: GUATEMALA: Blue Lantern Level 2: Pre-License End-Use Check
on Brokering Authorization BAL 118-09

REF: A. STATE 104728

DERIVED FROM: DSCG 05-1 A, B, D

¶1. (SBU) Summary: In response to reftel, Emboffs researched the bona fides of the arms import company Combat S.A. The research included an on-site inspection of Combat S.A., an interview with the company's legal representative, and records checks of both the company and the representative with the MOD's General Directorate for the Control of Firearms and Ammunition (DIGECAM). As a result of the investigation, Post does not recommend approval of the pre-license brokering authorization. End Summary.

¶2. (SBU) The legal representative since 2004, Rolando Arturo Solis Paiz operates Combat S.A. under the parent company Esqui-sport. Since 2006, Solis and family member, Fabio Alejandro Solis Villeda, are the only two legal representatives on the DIGECAM license, who are authorized to sell and purchase firearms and ammunition in Guatemala. Combat S.A. provides standard weapons products and services, selling mostly to government clients under the Ministry of Government (MOG), with additional sales to weapons distributors and individuals.

¶3. (S) Per reftel, Mr. Solis did not provide a physical contract or any acknowledgment of the potential brokering authorization license, which includes Combat S.A. as foreign intermediary, an Israeli foreign intermediary, ISDS, and the manufacturing company, Khan Asparuh (KA) of Bulgaria. Mr. Solis explained that he has a Russian contact in Guatemala by the company name of NEBO, S.A., but this was the only information Solis provided. (Note: There was no clear indication that NEBO was connected to KA. End Note.) Solis claims that NEBO, S.A. is a member of the Guatemalan-Russian Chamber of Commerce, and Solis added that he received a quotation, but there were no details about the quotation including the parties and weapons involved. (Note: Emboffs were unable to verify the validity of these claims. End Note.) Solis displayed to Emboffs prior contractual agreements with the MOG providing weapons to the president's secret service and national police, but there were no contracts with the Ministry of Defense (MOD) at the time of the interview. The last contract with the MOD was about four years ago, according to Solis. Solis was unable to provide any point of contact with the MOD.

¶4. (C) A high-level secretary of the MOD confirmed with Emboff's DAO contact that he was not aware of any contract or potential bid for 5,500 AK-47 rifles at the MOD. Emboffs weapon owners contacts also confirmed that they were not aware of a public solicitation for these weapons. Emboffs contacts describe Solis as a legitimate business owner who has conducted previous fraudulent transactions by producing false documents to import weapons to Guatemala from Europe and Korea.

¶5. (SBU) Combat S.A. is located near a busy intersection in a commercial area of the city. Although the store displayed all the proper signage and security protection required, Emboffs noted how the store's display cases were very disorganized without much electrical light, and there was an unusual amount of people in the store including family members and small children. The poorly-constructed weapons vault revealed thin non-concrete walls with minimal steel bar reinforcement, but there was evidence of motion sensors inside the vault.

¶6. (SBU) Per reftel, Solis confirmed that he is familiar with the regulations governing the import and brokering of U.S.-origin defense articles.

¶7. (SBU) The Deputy Director of DIGECAM confirmed with Emboff's ICE contact that Combat S.A. was legally established on August 5, 2004, and added that the DIGECAM registries do not show any anomaly or irregularity on this company.
MCFARLAND